## What is claimed is:

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- 1. A method for credit recovery of lost frames in an inline credit extender coupled between a remote device and a local device, comprising:
  - comparing received frame count and a first programmed counter value when BB-SCs are received;
  - loading the difference between the programmed counter value and the received frame count into a buffer and to a first counter that counts each frame that is transmitted; and
  - sending BB-SCs to the local device if there is a match between the first counter value and a second programmed counter value.
- 15 2. The method of Claim 1, wherein the first and the second programmed counter values are the same.
  - 3. The method of Claim 1, wherein number of buffer credits lost are determined by the difference between the first or second programmed counter value and the received frame count.
  - 4. A system for credit recovery of lost frames in an inline credit extender coupled between a remote device and a local device, comprising:
    - a first counter for counting received frames;

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- a first programmable counter that is programmed with a value;
- a comparator for comparing the first counter and the first programmable counter value when BB\_SCs are received; and
  - a second counter for counting transmitted frames.
- 5. The system of Claim 4, further comprising:

  a second programmable counter whose value is compared
  to the second counter and if there is a match between
  the two values, BB-SCs are sent to the local device.
  - 6. The system of Claim 5, wherein the difference between the first counter value and first programmable counter value is loaded into a buffer and sent to the second counter that counts transmitted frames.
- 7. A method for credit recovery of lost R\_RDYs in an inline credit extender coupled between a remote device and a local device, comprising: counting received R\_RDYs, wherein a first counter counts the received R\_RDYs;
- setting a flag when a BB\_SCr is received; and transmitting BB-SCr when the first counter value is zero and the flag is set.
- The method of Claim 7, further comprising:
   counting R\_RDYs after BB\_SCrs are received, wherein a
   second counter counts the R\_RDYs; and

- transmitting  $R_RDYs$  when the second counter value is non-zero.
- 9. The method of Claim 7, wherein the first counter value is decreased everytime an  $R_RDY$  is transmitted.
- 5 10. The method of Claim 7, wherein the flag is cleared after a BB SCr is transmitted.
  - 11. The method of Claim 8, wherein the second counter is decremented everytime an  $R_RDY$  is transmitted.
- 12. A system for credit recovery of lost R\_RDYs in an inline credit extender coupled between a remote device
  and a local device, comprising:
  - a first counter for counting received R\_RDYs;
  - a second counter for counting R\_RDYs received after BB\_SCrs are received; and
- a  $R_RDY$  control module that transmits  $R_RDY$ s when the first counter value is non-zero.
  - 13. The system of Claim 12, further comprising:
     a register that sets a flag when a BB\_SCr is received;
     and
- a BB-SCr control module that transmits BB\_SCrs when the first or second counter value is zero.
  - 14. The system of Claim 12, wherein the first and second counter flip based upon when an R\_RDY is received.